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Financial Report
Strive Incorporated

June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-11-00

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Strive Incorporated

June 30, 2000

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Strive Incorporated,
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of Strive Incorporated, as of June 30, 2000, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strive Incorporated as of June 30, 2000, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 22, 2000 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, La.,
August 22, 2000.

STATEMENT OF FINANCIAL POSITION**Strive Incorporated**

June 30, 2000

ASSETS

Cash and cash equivalents	\$ 267,563
Accounts and notes receivable	228,189
Inventory	3,657
Prepaid expenses and other	9,742
Investments	453,000
Property and equipment, net of depreciation	727,837
Funds held by Greater New Orleans Foundation	<u>121,097</u>
 Total assets	 <u>\$ 1,811,085</u>

LIABILITIES AND NET ASSETS**Liabilities**

Accounts payable	\$ 30,801
Accrued salaries and leave	<u>54,982</u>
 Total liabilities	 <u>85,783</u>

Net Assets

Unrestricted	1,588,043
Temporarily restricted	<u>137,259</u>
 Total net assets	 <u>1,725,302</u>

Total liabilities and net assets	<u>\$ 1,811,085</u>
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See notes to financial statements.

STATEMENT OF ACTIVITIES**Strive Incorporated**

For the year ended June 30, 2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Contracts for services - Miller Manor	\$ 293,755		\$ 293,755
Contracts for services - Project Strive	630,987		630,987
Contributions	2,750		2,750
Dues	8,225		8,225
Fundraising events	26,005		26,005
Interest	54,708		54,708
Other	5,841		5,841
Transportation	6,076		6,076
Workshop income	47,006		47,006
Investment income including realized and unrealized gains on funds held by Greater New Orleans Foundation		\$ 10,239	10,239
Total revenues and other support	<u>1,075,353</u>	<u>10,239</u>	<u>1,085,592</u>
Net Assets Released From Restrictions			
Program restrictions satisfied by payments	<u>6,806</u>	<u>(6,806)</u>	<u>-</u>
Total revenues, support and net assets released from restrictions	<u>1,082,159</u>	<u>3,433</u>	<u>1,085,592</u>
Expenses			
Program services:			
Miller Manor	264,333		264,333
Project Strive	488,339		488,339
Miller Center	33,313		33,313
Management and general	239,636		239,636
Fundraising	<u>8,257</u>		<u>8,257</u>
Total expenses	<u>1,033,878</u>		<u>1,033,878</u>
Increase in Net Assets	48,281	3,433	51,714
Net Assets			
Beginning of year	<u>1,539,762</u>	<u>133,826</u>	<u>1,673,588</u>
End of year	<u>\$ 1,588,043</u>	<u>\$ 137,259</u>	<u>\$ 1,725,302</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Strive Incorporated**

For the year ended June 30, 2000

	Program Services			Support Services	
	Community Housing - (Miller Manor)	Daycare And Workshop - (Project Strive)	Social Activities - (Miller Center)	Management And General	Fundraising
	Total				Total
Salaries	\$ 119,509	\$ 347,900	\$ 1,936	\$ 135,910	\$ 605,255
Payroll taxes	8,920	25,290	142	10,332	44,684
Administrative supplies	1,926	6,162	197	8,493	16,778
Allowance for clients	2,736				2,736
Bed tax expense	22,454				22,454
Insurance	10,877	26,213	5,441	22,058	64,589
Maintenance and repairs	3,097	3,688	4,475	6,607	17,867
Meals	11,287	52		537	11,876
Other expenses	1,547	17,056		4,611	31,471
Professional fees and contract services	10,461	1,988	3,300	16,449	32,198
Project costs	5,702	793	223	6,806	13,524
Staff training	86	332		904	1,322
Transportation	1,827	34,472		10	36,309
Travel		2,625		1,460	4,085
Utilities and telephone	5,672	8,199	4,725	8,744	27,340
Workshop expense	43,200				43,200
Total expenses before depreciation	249,301	474,770	20,439	222,921	975,688
Depreciation of property and equipment	15,032	13,569	12,874	16,715	58,190
Total expenses	\$ 264,333	\$ 488,339	\$ 33,313	\$ 239,636	\$ 1,033,878

See notes to financial statements.

STATEMENT OF CASH FLOWS**Strive Incorporated**

For the year ended June 30, 2000

Cash Flows From Operating Activities

Increase in net assets	\$ 51,714
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	58,190
Income reinvested at Greater New Orleans Foundation	(1,717)
Increase in accounts and note receivable	(95,131)
Decrease in inventory	6,531
Decrease in prepaid expenses and other assets	12,794
Increase in accounts payable and accrued liabilities	29,876
Net cash provided by operating activities	<u>62,257</u>

Cash Flows From Investing Activities

Purchases of property and equipment	(185,256)
Proceeds from investment maturities	730,000
Purchases of investments	<u>(646,000)</u>
Net cash used in investing activities	<u>(101,256)</u>

Net Decrease In Cash and Cash Equivalents

(38,999)

Cash and Cash Equivalents

Beginning of year	<u>306,562</u>
End of year	<u>\$ 267,563</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Strive Incorporated**

June 30, 2000

Note 1 - NATURE OF ACTIVITIES

Strive Incorporated (Strive), formerly Sophie L. Gumbel Guild, is a voluntary health and welfare organization providing housing, training and recreational services to adults with developmental disabilities. Strive provides housing for adults in Miller Manor, day care and training for adults through Project Strive, and social training and recreation for adults at Miller Activity Center. The majority of Strive's revenue is derived from contracts for services with the State of Louisiana and private contracts with businesses in the New Orleans metropolitan area.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

Strive is a nonprofit corporation organized under the laws of the State of Louisiana in 1964. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5).

b. Basis of Accounting

The financial statements of Strive Incorporated are prepared on the accrual basis of accounting.

c. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Statement of Financial Accounting Standards, (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, Strive classifies its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Financial Statement Presentation (Continued)

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Contracts for services, contributions, and other revenues and expenditures of funds for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes or to benefit specific accounting periods.

Permanently Restricted Net Assets - Strive does not have any permanently restricted net assets.

d. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

e. Cash and Cash Equivalents

For purposes of reporting cash flows, cash includes certificates of deposit and highly liquid investments with original maturities of three months or less.

f. Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Inventory

Inventory is stated at lower of cost using the first-in, first-out method or market.

h. Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Donated property is recorded at its fair market value at the date of donation.

i. Allocated Expenses

The costs of providing the various programs and other activities are summarized in the statement of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

j. Investments

Investments are stated at fair value in accordance with Financial Accounting Standards Board Statement No. 124 entitled "Accounting for Certain Investments Held by Not-for-Profit Organizations". Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Note 3 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. In 1991, Strive received a bequest under which the principal is maintained by a trustee, Greater New Orleans Foundation, and principal and income are available for expenditure for medical and psychological evaluations, physical and occupational therapy, special adaptive equipment, and prosthetic devices for retarded citizens in need of financial help. Restrictions are considered to expire when payment for the designated purpose is made.

Note 3 - RESTRICTIONS ON NET ASSETS (Continued)

Temporarily restricted net assets at June 30, 2000, are available for the following purpose:

Medial assistance for retarded citizens	<u>\$137,259</u>
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Note 4 - INVESTMENTS

Investments at June 30, 2000 consist of certificates of deposit with maturities of one to three years, which are invested at several financial institutions with no institution holding more than \$100,000.

Note 5 - PROPERTY AND EQUIPMENT

At June 30, 2000, the cost of property and equipment was as follows:

Land	\$ 149,030
Building and improvements	1,203,802
Furniture and equipment	199,324
Automotive equipment	<u>62,444</u>
	1,614,600
Less accumulated depreciation	<u>(886,763)</u>
Net property and equipment	<u>\$ 727,837</u>

Depreciation expense for the year ended June 30, 2000 was \$58,190.

Note 6 - CONCENTRATION OF CREDIT RISK

Strive maintains its cash accounts in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$100,000 per bank. At June 30, 2000, Strive had approximately \$107,000 in excess of the insured limits.

Note 7 - SIGNIFICANT CONTRACTS

For the year ended June 30, 2000, approximately \$308,000 of contract revenue was from the State of Louisiana Department of Health and Hospitals and \$397,000 of contract revenue was from the Louisiana Medical Assistance Program. The State provides annual contracts to Strive which grant the State the right to audit program accounts and activities. Management believes that Strive is in compliance with the provisions of these contracts and that the findings of an audit, if any, would not have a material impact on the financial statements.

SCHEDULE OF PROGRAM SERVICE ACTIVITIES**Strive Incorporated**

For the year ended June 30, 2000

	Community Housing - (Miller Manor)	Daycare And Workshop - (Project Strive)	Social Activities - (Miller Center)	Total
Revenues and Other Support				
Contracts	\$ 293,755	\$ 630,987		\$ 924,742
Transportation		6,076		6,076
Other	538	52,004		52,542
Total revenues and other support	294,293	689,067	-	983,360
Program Expenses	264,333	488,339	33,313	785,985
Change in Net Assets	<u>\$ 29,960</u>	<u>\$ 200,728</u>	<u>\$ (33,313)</u>	<u>\$ 197,375</u>

See notes to financial statements.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Board of Directors,
Strive Incorporated,
New Orleans, Louisiana.

We have audited the general purpose financial statements of the Strive Incorporated, as of and for the year ended June 30, 2000, and have issued our report thereon, dated August 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Organization's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance, with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal

control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, the report is a matter of public record, and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, La.
August 22, 2000.

SCHEDULE OF FINDINGS

Strive Incorporated

For the year ended June 30, 2000

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Reportable condition(s) identified that are
not considered to be material weakness ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

b) Federal Awards

Strive Incorporated did not receive federal awards during the year ended June 30, 2000.

Section II - Financial Statement Findings

There were no financial statement findings noted during the audit for the year ended June 30, 2000.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Strive Incorporated

For the year ended June 30, 2000

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 1999. No reportable conditions were reported during the audit for the year ended June 30, 1999.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 1999.

Section II - Internal Control and Compliance Material To Federal Awards

Strive Incorporated did not receive federal awards during the year ended June 30, 1999.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 1999.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Strive Incorporated

For the year ended June 30, 2000

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2000. No reportable conditions were reported during the audit for the year ended June 30, 2000.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2000.

Section II - Internal Control and Compliance Material To Federal Awards

Strive Incorporated did not receive federal awards during the year ended June 30, 2000.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2000.